



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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Chief Executive Officer

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Second District

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Third District

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Fifth District

April 15, 2011

To: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", is written over the printed name and title.

## **SACRAMENTO UPDATE**

This memorandum contains an update on the adjournment of the State Legislature for the Spring recess; pursuits of County positions on legislation related to the collection of taxes, fees and surcharges on prepaid communications and an extension of changes to the Penal Code regarding fire arms and dangerous weapons; an update on County-sponsored legislation regarding the Homeowner Notification Program; a status on seven County-advocacy measures regarding: 1) conforming the State Personal Income and Corporation Income Tax laws to the Federal Patient Protection and Affordable Care Act of 2010; 2) disincorporation of the City of Vernon; 3) extension of job-related illnesses; 4) notification of intent of a library district to withdraw from a county library; 5) expansion of workers' compensation benefits; 6) mandated reporting of financial abuse of an elderly or dependent adult; and 7) the Delta Reform Act; and updates on County-interest legislation regarding presidential primary elections and renewable energy.

### **Legislative Adjournment for Spring Recess**

On April 14, 2011, the State Legislature adjourned for the 2011 Spring Recess. The Legislature is scheduled to reconvene on Monday, April 25, 2011. Upon reconvening, the Legislature will continue to conduct hearings on bills.

*"To Enrich Lives Through Effective And Caring Service"*

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### **Pursuit of County Position on Legislation**

**AB 1050 (Ma)**, which as amended on March 31, 2011, would require the State Board of Equalization (BOE) to convene a working group to develop recommendations for an equitable and uniform method of collecting State and locally authorized communications taxes, fees and surcharges from prepaid communications end-use consumers.

Under current law, every local public agency is required to establish and operate an emergency 911 system. State and local 911 telephone facilities are funded through the Emergency Telephone Users Surcharge Act, which imposes a surcharge for intrastate telephone services. The author of AB 1050 states that the intent of this measure is to ensure that the prepaid sector of the telecommunications market shares in the responsibility of funding 911 services.

AB 1050 would require the BOE, upon appropriation for said purpose, to develop recommendations for an equitable and uniform method of collecting State and locally authorized communications taxes, fees and surcharges from prepaid communications end-use consumers. The review would include any and all taxes, fees and surcharges on communication services imposed by the State or local governments, including the local Utility Users Tax. The working group shall include, but not be limited to, stakeholder representatives from the Public Utilities Commission, the California Technology Agency, State and local representatives, local law enforcement agencies, telecommunications companies, retail associations, and consumer advocacy organizations.

Unlike other taxes, fees and surcharges that would be reviewed under the provisions of AB 1050, the local Utility Users Tax is a charge on transactions, some of which may be communications-related. This tax is specifically targeted to meet local needs and may be imposed on utilities such as electricity, gas, water, sewer or telecommunications. The local Utility Users Tax must be approved by local voters at rates set by each community and may be used to fund local police, fire, and other services in cities and unincorporated areas of the County. The local Utility Users Tax is a general-purpose tax and should not be included in the broad review of taxes, fees and surcharges on prepaid telecommunications services that the BOE would be required to conduct under the provisions of AB 1050.

County-opposed AB 2545 (De La Torre) of 2010, sought to achieve the same results through a series of public meetings conducted by the Public Utilities Commission to develop recommendations for the collection of State and local government taxes, fees and surcharges, including any local Utility Users Tax, for prepaid telephone calling

cards and wireless services. That measure was moved to the Senate Inactive File where it died.

The Chief Executive Office opposes AB 1050. Therefore, consistent with existing Board policy to oppose proposals that would jeopardize control of locally-imposed fees or taxes, **the Sacramento advocates will oppose AB 1050.**

AB 1050 is supported by The Wireless Association (known as CTIA) and AT&T. No opposition has been registered.

AB 1050 passed the Assembly Committee on Utilities and Commerce by a vote of 13 to 0 on April 11, 2011. This measure is awaiting a hearing in the Assembly Committee on Revenue and Taxation.

**AB 1331 (Davis)**, which as amended on March 31, 2011, would postpone implementation of SB 1080 (Chapter 711, Statute of 2010) and SB 1115 (Chapter 178, Statute of 2010) which amended multiple sections of the State Penal Code regarding firearms and dangerous weapons offenses by five years until January 1, 2017.

SB 1080 and SB 1115 enacted the revisions to the State Penal Code proposed by the California Law Revision Committee which was tasked with revising provisions of the State Penal Code relating to the control of deadly weapons. The legislative intent of these measures were as follows: 1) simplify, shorten and reduce the length and complexity of current Penal Code sections; 2) avoid unnecessary use of cross-references; 3) neither expand nor contract the scope of criminal liability under current provisions; 4) to the extent compatible with objective 2, use common definitions of terms; 5) organize existing provisions in such a way that similar provisions are located in close proximity to each other; and 6) eliminate duplicative provisions. None of the discussion and debate that either bill received in the Legislature concerned the potential fiscal impact to law enforcement agencies, district attorney's offices, public defender's offices, or the courts. Both bills were keyed non-fiscal and non-State mandated local programs. These designations meant that neither bill was heard by a fiscal committee.

However, SB 1080 and SB 1115 would result in significant fiscal impact to local governments to implement to the new Penal Code requirements. Such costs would include retraining of personnel, replacement of existing written and video materials, and conversions of data systems. AB 1331 would postpone the implementation for SB 1080 and SB 1115 from January 1, 2011 until January 1, 2017.

The District Attorney's Office, estimates that the total statewide costs to implement SB 1080 and SB 1115 could be as high as \$142.0 million, including: \$72.0 million for

training of 227,000 criminal justice personnel; \$50.0 million for reprinting written materials, legal forms, jury instructions, and \$20.0 million to convert and reprogram existing data systems.

Additionally, the District Attorney indicates that there would be hidden costs associated with the slower processing of criminal cases due to the unfamiliarity of the new codes among criminal justice personnel including the County's sheriff deputies, district attorneys, public defenders, probation officers, judicial officers and corrections officials. Courts could face potential backlogs and the possibility of court errors as a result of the proposed changes to the Penal Code. This could pose a threat to public safety from fewer prosecutions and the increased chance of clerical errors resulting in dismissed charges.

County departments indicate that implementing SB 1080 and SB 1115 would impose significant costs on their department with regards to time and resources. The Public Defender's Office estimates a \$6.5 million yearly loss in productivity from looking up cross-references for the new statutes. This estimate is based on an average public defender's salary multiplied by ten minutes a day and the 780 lawyers in the office. This estimate does not include the training costs for the department's paralegals and investigators. There would also be increased overtime from the resulting backup in processing cases. The Probation Department estimates costs of approximately \$700,000 for personnel training and code conversion of their case management system.

The District Attorney, the Sheriff's Department, the Probation Department, the Office of the Public Defender and this office support AB 1331. Therefore, consistent with existing Board policy to support proposals to streamline or eliminate administrative mandates to focus limited resources on services, **the Sacramento advocates will support AB 1331.**

The Countywide Criminal Justice Coordination Committee for Los Angeles County, the Sheriff's Department, the District Attorney's Office, and the California Public Defenders Association are on record as supporting this bill as amended. There is no registered opposition at this time. The bill has been referred to the Assembly Public Safety Committee; no hearing has yet been scheduled.

### **Status of County-Sponsored Legislation**

**County-sponsored SB 62 (Liu)**, which as introduced on January 3, 2011, would enhance the County's existing Homeowner Notification Program to authorize the County to: 1) notify homeowners and renters subject to notices of default or sale; 2) collect a fee for notification upon the recording of a notice of default or sale; and 3) use a portion

of the recording fee to provide information, counseling, or assistance to a person who receives the notice, passed the Senate Judiciary Committee by a vote of 3 to 1, with one absence, on April 12, 2011. This measure now proceeds to the Senate Floor.

### **Status of County-Advocacy Legislation**

**County-supported AB 36 (Perea)**, which as amended on February 18, 2011, would amend the State Personal Income and Corporation Income Tax laws to conform with Federal Income Tax laws related to the Federal Patient Protection and Affordable Care Act of 2010, was signed by the Governor on April 6, 2011, and it is Chapter 17, Statutes of 2011. This measure becomes effective immediately.

**County-supported AB 46 (J. Pérez)**, which as amended on April 4, 2011, would require that every city with a population of less than 150 people, as of January 1, 2010, be disincorporated into the city's respective county and that the Local Agency Formation Commission within the county oversee the terms and conditions of the disincorporation, and indicate that if the board of supervisors determines that the city's disincorporation is impractical for its residents, the city should not be disincorporated, passed the Assembly Local Government Committee by a vote of 7 to 0 on April 13, 2011. The bill now proceeds to the Assembly Floor.

At the hearing, Assembly Speaker John Pérez testified that he continues to believe that the City of Vernon should be disincorporated and absorbed by the County of Los Angeles. He emphasized his commitment to preserve jobs, affordable energy fees and public safety for businesses located in the city. In response to Committee questions regarding communication with Vernon's elected officials, Speaker Pérez stated that he has offered to engage elected officials, but so far he has not received a response. He added that communication has taken place mainly with Vernon's lobbyists, attorneys and consultants.

**County-opposed AB 375 (Skinner)**, which as introduced on February 14, 2011, would extend the presumption of job-related injuries to cover all hospital employees for blood-borne infectious diseases, Methicillin-resistant Staphylococcus aureus (MRSA), and all neck and back injuries, passed the Assembly Insurance Committee by a vote of 8 to 4 on April 13, 2011. This measure now proceeds to the Assembly Appropriations Committee.

**County-supported-if-amended AB 438 (Williams)**, which as amended on April 4, 2011, would require a city or the board of trustees of a library district that intends to operate the library or libraries with the help of a private contractor that will employ library staff to: 1) publish notice of the intent to withdraw from the county free library

system; 2) submit the decision to withdraw for voter approval at a regularly scheduled election; and 3) notify the county board of supervisors of approval by the voters to withdraw from the county free library system, passed the Assembly Local Government Committee by a vote of 6 to 2 on April 13, 2011, with amendments to be considered by the author that address an array of issues, including outsourcing of library services and opposition raised by the League of California Cities and other parties. We will review the amendments when they become available for re-evaluation of a County position. This measure now proceeds to the Assembly Appropriations Committee.

**County-opposed AB 1155 (Alejo)**, which as introduced on February 18, 2011, would prohibit the use of intrinsic factors such as race, sex or genetic characteristics in determining the apportionment of a workers' compensation award, passed the Assembly Insurance Committee by a vote of 8 to 4 on April 13, 2011. This measure now proceeds to the Assembly Floor.

**County-supported SB 33 (Simitian)**, which as introduced on December 6, 2010, would repeal the January 1, 2013, sunset date and make permanent provisions established by SB 1018, (Chapter 140, Statutes of 2005), that expanded the scope of the Elder Abuse and Dependent Adult Civil Protection Act to include officers and employees of financial institutions as mandated reporters of financial abuse of an elder or dependent adult, passed the Senate Judiciary Committee by a vote of 4 to 0 on April 12, 2011. This measure now proceeds to the Senate Floor.

**County-opposed SB 200 (Wolk)**, which as amended on March 24, 2011, would negatively impact water supply to Southern California by amending the Delta Reform Act of 2009 to require a redundant and likely unattainable set of environmental hurdles for all of the conservation measures that will be developed in the Bay Delta Conservation Plan (BDCP), was originally scheduled for a hearing in the Senate Natural Resources Committee on April 12, 2011. However, it was rescheduled at the request of the author to April 26, 2011. The bill would essentially require every step in implementing a conservation measure in BDCP to be re-approved on its own even though it is included as part of a conservation plan that must meet all California Environmental Quality Act requirements, which will ultimately delay implementation of the BDCP.

#### **Status of County-Interest Legislation**

**AB 80 (Fong)**, which as amended on March 3, 2011, would move the presidential primary election from February to June and consolidate it with the statewide direct primary election.

SB 113 (Chapter 2, Statutes of 2007) moved California's presidential primary election from June to February in presidential election years and prohibited it from being consolidated with the statewide direct primary election. California has the largest Congressional delegation in the country, but because the State conducted the presidential primary in June, the presidential nominees for major political parties were usually determined before California's voters had an opportunity to cast their ballots. SB 113 was enacted to encourage presidential candidates to campaign in California and to debate issues affecting the State early in the presidential election cycle.

The author of AB 80 indicates that current law is out of compliance with national party rules and requires California to hold three separate statewide primary elections in 2012, imposing considerable costs on State and local governments. In 2010, the Democratic and Republican National Committees adopted rules that prohibit states from conducting any type of selection process for presidential candidates prior to the first Tuesday after the first Monday in March. States that schedule their primary elections on a date that is not consistent with party rules may face sanctions limiting the states' delegates to the national conventions. According to the author of AB 80, this measure would save millions of dollars, increase voter turnout, and ensure that California's primary is held in accordance with national party rules.

The Registrar Recorder/County Clerk (RR/CC) indicates that AB 80 would present critical challenges related to the Top Two primary election system adopted under Proposition 14 of 2010. Proposition 14 allows voters in a primary election to choose any candidate regardless of the candidate's or the voter's political party preference. The two candidates receiving the greatest number of votes will appear on the general election ballot regardless of party affiliation. However, presidential primary elections are determined based on the party affiliation of both the candidate and the voter. According to the RR/CC, conducting two stand-alone primary elections in 2012 would be costly and reimbursement to the County for the cost of conducting elections must also be addressed.

The Secretary of State Debra Bowen indicates that she supports AB 80; however, she notes that the logistics of returning the presidential primary to June are complex due to the passage of Proposition 14, which created new challenges for election officials and voters. In order to make AB 80 workable, the Secretary of State and the California Association of Clerks and Election Officials have proposed technical legislative amendments that would facilitate implementation of Proposition 14.

AB 80 is supported by California Association of Clerks and Election Officials, the California State Association of Counties and the Secretary of State. There is no

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registered opposition currently on file. AB 80 passed the Assembly by a vote of 75 to 0 on April 11, 2011. This measure now proceeds to the Senate.

**SBx1 2 (Simitian)**, which as introduced on February 1, 2011, would increase California's Renewables Portfolio Standard (RPS) to require all retail sellers of electricity and all Publicly Owned Utilities (POUs) to procure at least 33 percent of electricity delivered to their retail customers from renewable resources by 2020, among other provisions, was signed by the Governor on Tuesday, April 12, 2011, and is Chapter 1, Statutes of 2011, First Extraordinary Session.

Existing law requires retail sellers of electricity to achieve a 20 percent RPS by 2010 and establishes a process and standards for renewable procurement. Now that SBx1 2 is law, all retail sellers of electricity and POUs would have to meet the following renewable energy resources targets: 1) 20 percent by December 31, 2013; 2) 25 percent by December 31, 2016; and 3) 33 percent by December 31, 2020, and each year thereafter.

In his signing message, the Governor indicated "while reaching a 33 percent renewables portfolio standard will be an important milestone, it is really just a starting point – a floor, not a ceiling. Our State has enormous renewable resource potential. I would like to see us pursue even more far-reaching targets. With the amount of renewable resources coming on-line, and prices dropping, I think 40 percent, at reasonable cost, is well within our grasp in the near future."

We will continue to keep you advised.

WTF:RA  
MR:VE:LY:RM:sb

c: All Department Heads  
Legislative Strategist  
Local 721  
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